



## SNAPSHOT U.S. - Mexico

### FOREIGN DIRECT Investment

**February 2008**

U.S. foreign direct investment in Mexico totals more than \$84 billion dollars, concentrated largely in the manufacturing and banking sectors.

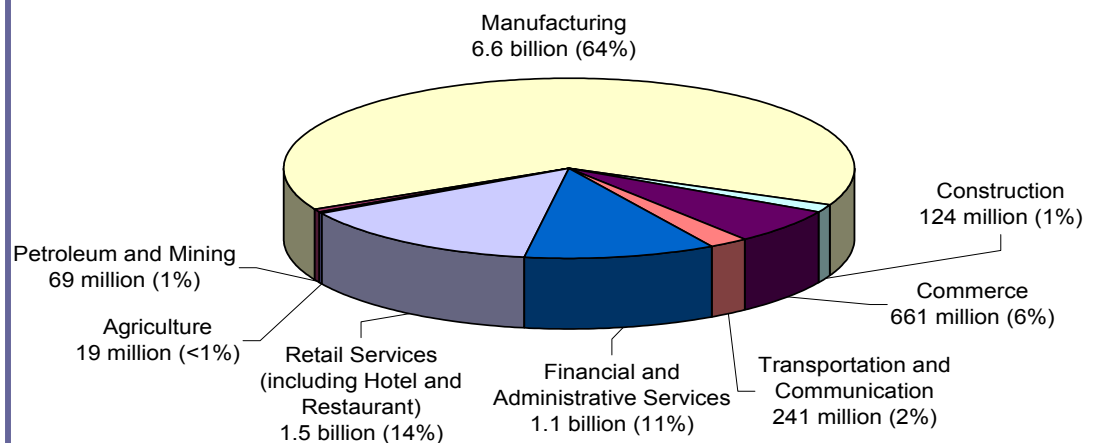
■ Over 2,600 U.S. firms have an important presence in Mexico. One such company, Wal-Mart, is the largest private sector employer in the country, with nearly 150,000 Mexicans on its payroll.

■ Mexican firms with FDI pay their workers 28% more than firms without foreign direct investment.

NAFTA, proximity to the United States, and continued political and economic stability make Mexico an attractive location for foreign direct investment (FDI). Additional reforms to improve competition within Mexico, and reforms in the labor, education, telecommunication and energy sectors are needed to increase competitiveness and encourage more FDI.

- Overall FDI in Mexico for 2006 was over \$19 billion with \$10.3 billion coming from U.S. sources. For 2007, FDI is expected to reach \$23 billion.
- The U.S. currently provides 50% of all FDI in Mexico. 18,629 Mexican companies benefit from U.S. direct investment. This represents 52.9% of all companies receiving FDI.
- The U.S. provides up to 50% of all inputs for Mexico's "maquiladora" manufacturing/assembly firms, which translates to over \$41 billion in annual sales. In 2007, the maquiladora industry was the third largest provider of foreign currency income to the Mexican economy behind petroleum and remittances.
- In 2006, approximately 38% (\$3.9 billion) of U.S. investment in Mexico was directed to the 6 Mexican border states. These states, the location of the majority of maquiladora firms, receive 50% of all U.S. manufacturing investment in Mexico.

**2006 U.S. FDI in Mexico - by sector  
(total \$10.3 billion)**



U.S. Embassy Mexico City • 5080.2000  
Economic Section  
<http://mexico.usembassy.gov>